

IC 27-13

ARTICLE 13. HEALTH MAINTENANCE ORGANIZATIONS

IC 27-13-1

Chapter 1. Definitions

IC 27-13-1-1

Applicability of definitions

Sec. 1. The definitions in this chapter apply throughout this article.

As added by P.L.26-1994, SEC.25.

IC 27-13-1-2

"Admitted asset"

Sec. 2. "Admitted asset" means an asset that may be included in a health maintenance organization's total assets for the purpose of computing the net worth of the health maintenance organization.

As added by P.L.26-1994, SEC.25.

IC 27-13-1-3 Repealed

(Repealed by P.L.97-2004, SEC.133.)

IC 27-13-1-4

"Basic health care services"

Sec. 4. (a) "Basic health care services" means the following medically necessary services:

- (1) Preventive care.
 - (2) Inpatient and outpatient hospital and physician care.
 - (3) Diagnostic laboratory care.
 - (4) Diagnostic and therapeutic radiological services.
 - (5) Emergency care.
- (b) The term does not include the following:
- (1) Mental health services.
 - (2) Services for alcohol and drug abuse.
 - (3) Dental services.
 - (4) Vision services.
 - (5) Long term rehabilitation treatment.

As added by P.L.26-1994, SEC.25.

IC 27-13-1-5

"Capitated basis"

Sec. 5. "Capitated basis" means fixed per member per month payment or percentage of premium payment under which the provider assumes the full risk for the cost of contracted services without regard to type, value, or frequency of services provided. For purposes of this definition, capitated basis includes the cost associated with operating staff model facilities.

As added by P.L.26-1994, SEC.25.

IC 27-13-1-6**"Carrier"**

Sec. 6. "Carrier" refers to any of the following:

- (1) A health maintenance organization.
- (2) An insurer licensed in Indiana to write Class 1(B) or Class 2(A) lines of insurance.
- (3) Any other entity responsible for the payment of benefits or provision of services under a group contract.

As added by P.L.26-1994, SEC.25.

IC 27-13-1-7**"Commissioner"**

Sec. 7. "Commissioner" refers to the insurance commissioner appointed under IC 27-1-1-2.

As added by P.L.26-1994, SEC.25.

IC 27-13-1-8**"Copayment"**

Sec. 8. "Copayment" means an amount, or a percentage of the charge, that an enrollee must pay to receive a specific service that is not fully prepaid.

As added by P.L.26-1994, SEC.25.

IC 27-13-1-9**"Coverage"**

Sec. 9. "Coverage" means the health care services to which a person is contractually entitled, either directly or indirectly, under a contract with a carrier.

As added by P.L.26-1994, SEC.25.

IC 27-13-1-10**"Covered by a health maintenance organization"**

Sec. 10. "Covered by a health maintenance organization" means that a person is contractually entitled, either directly or indirectly, to health care services from the health maintenance organization.

As added by P.L.26-1994, SEC.25.

IC 27-13-1-10.5**"Credentialing"**

Sec. 10.5. "Credentialing" means a process through which a health maintenance organization makes a determination:

- (1) based on criteria established by the health maintenance organization; and
- (2) concerning whether a provider may serve as a participating provider.

As added by P.L.26-2005, SEC.3.

IC 27-13-1-11**"Deductible"**

Sec. 11. "Deductible" means the amount that an enrollee is

responsible to pay out-of-pocket before the health maintenance organization begins to pay the costs associated with the health care services.

As added by P.L.26-1994, SEC.25.

IC 27-13-1-11.3

"Department"

Sec. 11.3. "Department" refers to the department of insurance.

As added by P.L.69-1998, SEC.1.

IC 27-13-1-11.7

"Emergency"

Sec. 11.7. "Emergency" means a medical condition that arises suddenly and unexpectedly and manifests itself by acute symptoms of such severity, including severe pain, that the absence of immediate medical attention could reasonably be expected by a prudent lay person who possesses an average knowledge of health and medicine to:

- (1) place an individual's health in serious jeopardy;
- (2) result in serious impairment to the individual's bodily functions; or
- (3) result in serious dysfunction of a bodily organ or part of the individual.

As added by P.L.69-1998, SEC.2.

IC 27-13-1-12

"Enrollee"

Sec. 12. "Enrollee" means a subscriber or a subscriber's dependent who is covered by a health maintenance organization.

As added by P.L.26-1994, SEC.25. Amended by P.L.191-1997, SEC.1.

IC 27-13-1-13

"Evidence of coverage"

Sec. 13. "Evidence of coverage" means a statement of the essential features and services of the coverage provided by a health maintenance organization.

As added by P.L.26-1994, SEC.25.

IC 27-13-1-13.5

"Experimental treatment"

Sec. 13.5. "Experimental treatment" means medical technology or a new application of existing medical technology, including medical procedures, drugs, and devices for treating a medical condition, illness, or diagnosis that:

- (1) is not generally accepted by informed health care professionals in the United States as effective; or
- (2) has not been proven by scientific testing or evidence to be effective;

in treating the medical condition, illness, or diagnosis for which its

use is proposed.

As added by P.L.69-1998, SEC.3.

IC 27-13-1-14

"Extension of benefits"

Sec. 14. "Extension of benefits" means the continuation of coverage under a particular benefit provided under a contract following the termination of an enrollee who is totally disabled on the date of termination.

As added by P.L.26-1994, SEC.25.

IC 27-13-1-15

"Grievance"

Sec. 15. "Grievance" means a written complaint submitted in accordance with the formal grievance procedure of a health maintenance organization by or on behalf of the enrollee or subscriber regarding any aspect of the health maintenance organization relative to the enrollee or subscriber.

As added by P.L.26-1994, SEC.25.

IC 27-13-1-16

"Group contract"

Sec. 16. "Group contract" means a contract for health care services which by the contract's terms limits eligibility to members of a specified group. A group contract may include coverage for dependents.

As added by P.L.26-1994, SEC.25.

IC 27-13-1-17

"Group contract holder"

Sec. 17. "Group contract holder" means the person to whom a group contract has been issued.

As added by P.L.26-1994, SEC.25.

IC 27-13-1-18

"Health care services"

Sec. 18. (a) "Health care services" means:

- (1) any services provided by individuals licensed under IC 25-10, IC 25-13, IC 25-14, IC 25-22.5, IC 25-23, IC 25-24, IC 25-26, IC 25-27, IC 25-29, IC 25-33, or IC 25-35.6;
- (2) services provided as a result of hospitalization;
- (3) services incidental to the furnishing of services described in subdivision (1) or (2); or
- (4) any other services or goods furnished for the purpose of preventing, alleviating, curing, or healing human illness, physical disability, or injury.

(b) The term does not include any service provided by, from, or through a licensed health care facility in connection with any life care, founder's fee, or other type of prepaid fee contract for residency and health care in a retirement home, community, or facility for

elderly persons.

As added by P.L.26-1994, SEC.25.

IC 27-13-1-19

"Health maintenance organization"

Sec. 19. "Health maintenance organization" means a person that undertakes to provide or arrange for the delivery of health care services to enrollees on a prepaid basis, except for enrollee responsibility for copayments or deductibles.

As added by P.L.26-1994, SEC.25.

IC 27-13-1-20

"In-plan covered services"

Sec. 20. "In-plan covered services" means the following:

(1) Covered health care services that are obtained from a provider who:

(A) is employed by;

(B) is under contract with;

(C) provides health care services to an enrollee referred by;
or

(D) is otherwise affiliated with;

the health maintenance organization.

(2) Emergency services.

As added by P.L.26-1994, SEC.25.

IC 27-13-1-21

"Individual contract"

Sec. 21. (a) "Individual contract" means a contract for health care services that:

(1) is issued to; and

(2) covers;

an individual.

(b) An individual contract may include coverage for a dependent of the subscriber.

As added by P.L.26-1994, SEC.25.

IC 27-13-1-21.3

"Insurance producer"

Sec. 21.3. "Insurance producer" means a person who is a licensed insurance producer under IC 27-1-15.6 and who:

(1) solicits, negotiates, effects, procures, delivers, renews, or continues a policy or contract for membership in a health maintenance organization or a prepaid limited health service organization;

(2) takes or transmits a membership fee or premium for the policy or contract other than for the insurance producer; or

(3) causes the insurance producer to be held out to the public, through advertising or otherwise, as a producer for a health maintenance organization or a prepaid limited health service organization.

As added by P.L.97-2004, SEC.102.

IC 27-13-1-21.5

"Managed hospital payment basis"

Sec. 21.5. "Managed hospital payment basis" means agreements in which the financial risk is primarily related to the degree of utilization rather than to cost of services.

As added by P.L.255-1995, SEC.13.

IC 27-13-1-22

"Net worth"

Sec. 22. (a) "Net worth" means the excess of total admitted assets over total liabilities.

(b) For the purposes of subsection (a), "liabilities" does not include fully subordinated debt.

As added by P.L.26-1994, SEC.25.

IC 27-13-1-23

"Out-of-plan covered services"

Sec. 23. (a) "Out-of-plan covered services" means nonemergency, self-referred covered health care services that:

- (1) are obtained from a provider who is:
 - (A) not otherwise employed by;
 - (B) not under contract with; and
 - (C) not otherwise affiliated with;the health maintenance organization; or
 - (2) are obtained from a participating provider without a referral.
- (b) The term does not include uncovered services.

As added by P.L.26-1994, SEC.25.

IC 27-13-1-24

"Participating provider"

Sec. 24. "Participating provider" means a provider who, under an express or implied contract with:

- (1) the health maintenance organization; or
- (2) a contractor of the health maintenance organization or any subcontractor of a contractor of the health maintenance organization;

has agreed to provide health care services to enrollees with an expectation of directly or indirectly receiving payment, other than copayment or deductible, from the health maintenance organization.

As added by P.L.26-1994, SEC.25. Amended by P.L.195-1996, SEC.1.

IC 27-13-1-25

"Person"

Sec. 25. "Person" includes the following:

- (1) An individual.
- (2) A partnership.
- (3) An association.

- (4) A trust.
- (5) A limited liability company.
- (6) A corporation.

As added by P.L.26-1994, SEC.25.

IC 27-13-1-26

"Point-of-service product"

Sec. 26. "Point-of-service product" means a product that covers both:

- (1) in-plan covered services; and
- (2) out-of-plan covered services.

As added by P.L.26-1994, SEC.25.

IC 27-13-1-27

"Limited service health maintenance organization"

Sec. 27. "Limited service health maintenance organization" has the meaning set forth in IC 27-13-34-4.

As added by P.L.26-1994, SEC.25. Amended by P.L.2-1998, SEC.70.

IC 27-13-1-27.5

"Primary care provider"

Sec. 27.5. "Primary care provider" means a provider under contract with a health maintenance organization who is designated by the health maintenance organization to coordinate, supervise, or provide ongoing care to an enrollee.

As added by P.L.69-1998, SEC.4.

IC 27-13-1-28

"Provider"

Sec. 28. (a) "Provider" means a physician, a hospital, or any other person licensed or authorized to furnish health care services.

(b) The term includes an entity that:

- (1) is owned in whole or in part by one (1) or more physicians, hospitals, or other persons licensed or authorized to furnish health care services; and
- (2) was established for purposes of furnishing health care services through:

(A) contracts; or

(B) employment agreements;

with one (1) or more physicians, hospitals, or other persons licensed or authorized to furnish health care services.

As added by P.L.26-1994, SEC.25. Amended by P.L.195-1996, SEC.2.

IC 27-13-1-28.5

"Quality assurance"

Sec. 28.5. "Quality assurance" means the ongoing evaluation of the quality of health care services provided to enrollees.

As added by P.L.69-1998, SEC.5.

IC 27-13-1-29**"Receivership"**

Sec. 29. "Receivership" means that the health maintenance organization has been placed in receivership under an order of rehabilitation or liquidation by a court with jurisdiction.

As added by P.L.26-1994, SEC.25.

IC 27-13-1-30**"Replacement coverage"**

Sec. 30. "Replacement coverage" means the coverage provided to a person whose last preceding carrier has ceased providing coverage to that person.

As added by P.L.26-1994, SEC.25.

IC 27-13-1-31**"Service area"**

Sec. 31. "Service area" means the geographic area within which a health maintenance organization licensed under this article provides or arranges for the delivery of health care services to enrollees.

As added by P.L.26-1994, SEC.25.

IC 27-13-1-32**"Subscriber"**

Sec. 32. "Subscriber" means:

- (1) an individual whose employment status or other status, except family dependency, is the basis for eligibility for enrollment in the health maintenance organization; or
- (2) in the case of an individual contract, the person in whose name the contract is issued.

As added by P.L.26-1994, SEC.25.

IC 27-13-1-33**"Subscriber premiums"**

Sec. 33. "Subscriber premiums" means money or any other thing of value paid or given in consideration to a health maintenance organization, agent, or solicitor on account of or in connection with a contract under which a health maintenance organization provides or arranges for the delivery of health care benefits to enrollees.

As added by P.L.26-1994, SEC.25.